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April 27, 2004

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9050-6265

APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

RE:

"V" Sand, Reservoir A

Lapice Field

St. James Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DEVON ENERGY PRODUCTION** COMPANY, L.P. ("Devon") for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the "V" Sand, Reservoir A in the Lapice Field, St. James Parish, Louisiana, to-wit:

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of oil and gas from the "V" Sand, Reservoir A in the Lapice Field, St. James Parish, Louisiana, to be designated V RA SUA;
- To force pool and integrate all separately owned tracts, mineral 2. leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;

- 3. To designate Devon Energy Production Co., L.P. as unit operator for the proposed unit;
- 4. To designate the Devon Energy Production Co., L.P. Paul F. O'Brien, Jr. No. 1 Well as the unit well for the proposed unit;
- 5. To provide that any future substitute and alternate unit wells for the proposed unit should be exempt from the spacing provisions of Statewide Order 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The "V" Sand, Reservoir A, in the Lapice Field, St. James Parish, Louisiana, is hereby defined as that oil and gas bearing sand encountered between the depths of 7,607 feet and 7,628 feet, electrical log measurements, in the Devon Energy Production Co., L.P. – Paul F. O'Brien, Jr. No. 1 Well, located in Section 38, Township 12 South, Range 15 East, St. James Parish, Louisiana.

By agreement between Devon Energy Production Co., L.P. ("Devon") and Schexnayder Community, L.L.C. ("Schexnayder"), Devon is taking over as Applicant for the proceeding commenced by Schexnayder by the filing of its December 22, 2003 Preapplication Notice.

Pursuant to that Schexnayder Pre-Application Notice, a pre-application conference was held on Wednesday, January 28, 2004, at the Hampton Inn in Baton Rouge, Louisiana. A list of the parties in attendance at the conference is attached hereto and made a part of this Application by reference. Joe Adams, geological consultant for Schexnayder, explained the unit proposal and answered questions. Randall Songy and Bill Dale presented a counterplan on behalf of Devon. The parties were unable to resolve their differences at the conference and it was then adjourned.

Subsequent to the conference, the parties continued to attempt to resolve their differences, and those efforts were successful. The unit depicted on the attached plat has been agreed to by Devon and Schexnayder. If any Interested Owner, Represented Party or Interested Party desires a conference to discuss this unit proposal and requests such a conference within ten (10) days of the date of this letter, Devon will schedule such a conference in accordance with the Rules of Procedure.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting Bill Dale with W. H. Robbins & Associates, Inc., 140 Rue Beauregard, Suite 100, Lafayette, LA 70508 (Phone: 337)232-5004.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours.

RANDALL C. SONGY

RCS/bad

Enclosures

*

CC:

Mr. Richard Hudson, District Manager Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

